



February 17, 2006

ENGROSSED HOUSE BILL No. 1056

DIGEST OF HB 1056 (Updated February 16, 2006 11:28 am - DI 110)

Citations Affected: IC 9-22; IC 9-29.

Synopsis: Certificate of salvage title. Specifies procedure for application and issuance of a certificate of salvage title under certain circumstances. Repeals and relocates language relating to the fee for the issuance of a salvage title. Specifies that the revenues collected from the issuance of salvage titles shall be deposited in the motor vehicle highway account. Makes it a Class D infraction for a person who fails to comply with certain requirements concerning certificates of title and certificate of salvage title on salvage motor vehicles. Makes conforming amendments.

Effective: July 1, 2006.

Duncan, Wolkins, Mays, Lutz J

(SENATE SPONSOR — MERRITT)

January 4, 2006, read first time and referred to Committee on Roads and Transportation.
January 23, 2006, amended, reported — Do Pass.
January 26, 2006, read second time, ordered engrossed.
January 27, 2006, engrossed.
February 1, 2006, read third time, passed. Yeas 99, nays 0.

SENATE ACTION

February 6, 2006, read first time and referred to Committee on Insurance and Financial Institutions.
February 16, 2006, amended, reported favorably — Do Pass.

C
o
p
y

EH 1056—LS 6482/DI 97+



February 17, 2006

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1056

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 9-22-3-3 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) A certificate of salvage title
3 is required for a motor vehicle, motorcycle, semitrailer, or recreational
4 vehicle that meets any of the following criteria:

5 (1) An insurance company has determined that it is economically
6 impractical to repair the wrecked or damaged motor vehicle,
7 motorcycle, semitrailer, or recreational vehicle and has made an
8 agreed settlement with the insured or claimant.

9 (2) If the owner of the vehicle is a business that insures its own
10 vehicles, ~~or an insurance company~~, the cost of repairing the
11 wrecked or damaged motor vehicle, motorcycle, semitrailer, or
12 recreational vehicle exceeds seventy percent (70%) of the fair
13 market value immediately before the motor vehicle, motorcycle,
14 semitrailer, or recreational vehicle was wrecked or damaged.

15 (3) The motor vehicle is a flood damaged vehicle.

16 (b) For the purposes of this section, the bureau shall, upon request,
17 determine the fair market value of a wrecked or damaged motor

EH 1056—LS 6482/DI 97+



C
o
p
y

vehicle, motorcycle, semitrailer, or recreational vehicle if the fair market value cannot be determined from the source referred to in section 2(1) of this chapter.

(c) **Except as provided in section 11(c) of this chapter**, an insurance company ~~must~~ **shall** apply for a salvage title for ~~any~~ a vehicle that **the insurance company has determined is economically impractical to repair.**

(d) **An owner described in subsection (a)(2) shall apply for a salvage title for any vehicle that** has sustained damages of seventy percent (70%) or more of the fair market value immediately before the motor vehicle, motorcycle, semitrailer, or recreational vehicle was wrecked or damaged if the vehicle meets the criteria ~~of~~ **specified in** subsection (a)(1).

SECTION 2. IC 9-22-3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. (a) This section applies to the following persons:

(1) An insurance company that declares a wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter and the ownership of which is not evidenced by a certificate of salvage title.

(2) An insurance company that has made and paid an agreed settlement for the loss of a stolen motor vehicle, motorcycle, semitrailer, or recreational vehicle **that:**

(A) has been recovered by the titled owner; and

(B) meets at least one (1) of the criteria set forth in section 3 of this chapter.

(b) A person who owns or holds a lien upon a vehicle described in subsection (a) shall assign the certificate of title to the insurance company described in subsection (a). The insurance company shall apply to the bureau within thirty-one (31) days after receipt of the certificate of title for a certificate of salvage title for each salvage or stolen vehicle subject to this chapter. The insurance company shall surrender the certificate of title to the department and pay the fee prescribed under IC 9-29-7 for a certificate of salvage title.

(c) **When the owner of a vehicle described in subsection (a) retains possession of the vehicle:**

(1) the person who possesses the certificate of title shall surrender the certificate of title to the insurance company described in subdivision (2);

(2) the insurance company that completes an agreed settlement for the vehicle shall:

C
o
p
y



(A) obtain the certificate of title; and

(B) submit to the bureau:

(i) the certificate of title;

(ii) the appropriate fee; and

(iii) a request for a certificate of salvage title on a form prescribed by the bureau; and

(3) after the bureau has received the items set forth in subdivision (2)(B), the bureau shall issue a certificate of salvage title to the owner.

(c) (d) When a self-insured entity is the owner of a salvage motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter, the self-insured entity shall apply to the bureau within thirty-one (31) days after the date of loss for a certificate of salvage title in the name of the self-insured entity's name.

(d) (e) Any other person acquiring a wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter, which acquisition is not evidenced by a certificate of salvage title, shall apply to the bureau within thirty-one (31) days after receipt of the certificate of title for a certificate of salvage title.

(f) A person that violates this section commits a Class D infraction.

SECTION 3. IC 9-22-3-37 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 37. **Except for a violation of section 11 of this chapter**, a person who violates this chapter commits a deceptive act that is actionable by the attorney general and is subject to the remedies and penalties under IC 24-5-0.5.

SECTION 4. IC 9-29-7-2.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2.3. (a) **The fee for a certificate of salvage title is four dollars (\$4).**

(b) **The fee for a delinquent certificate of salvage title is ten dollars (\$10). The bureau shall collect this fee if:**

(1) a purchaser or transferee fails to apply for a certificate of salvage title or a transfer of title, by assignment, not later than thirty-one (31) days after the salvage motor vehicle is purchased or otherwise acquired; or

(2) the owner of a salvage motor vehicle retains possession of the salvage motor vehicle and the owner fails to apply for a certificate of salvage title not later than thirty-one (31) days after the settlement of loss with the insurance company.

C
o
p
y



1 SECTION 5. IC 9-29-7-2.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2006]: **Sec. 2.5. The fee for a duplicate certificate of salvage title**
4 **is four dollars (\$4).**

5 SECTION 6. IC 9-29-7-7 IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2006]: Sec. 7. The revenues from the:

7 (1) **certificate of salvage titles collected under IC 9-22-3; and**
8 (2) license fees collected under IC 9-22-4;
9 shall be deposited in the motor vehicle highway account.

10 SECTION 7. IC 9-29-4-6 IS REPEALED [EFFECTIVE JULY 1,
11 2006].

C
o
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1056, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 5, reset in roman "it is economically".

Page 1, line 6, reset in roman "it is impractical".

Page 1, line 6, delete "the cost".

Page 1, line 7, delete "exceeds".

Page 1, delete line 8.

Page 1, line 9, delete "immediately before the wreck or damage occurred".

Page 1, line 12, after "vehicles" insert ",".

Page 1, line 12, strike "or an insurance company,".

Page 2, delete lines 1 through 11.

Page 2, line 12, reset in roman "(b)".

Page 2, line 12, delete "(c)".

Page 2, line 17, reset in roman "(c)".

Page 2, line 17, delete "(d)" and insert **"Except as provided in section 11(c) of this chapter,"**.

Page 2, line 17, delete "An" and insert "an".

Page 2, line 17, delete "or an owner described in".

Page 2, line 18, delete "subsection (a)(2)".

Page 2, line 18, after "that" insert **"the insurance company has determined is economically impractical to repair."**

(d) An owner described in subsection (a)(2) shall apply for a salvage title for any vehicle that".

Page 2, reset in roman lines 19 through 21.

Page 2, line 22, reset in roman "vehicle".

Page 2, line 22, after "(a)(1)" insert ".".

Page 2, line 22, delete "or (a)(2)".

Page 2, after line 22, begin a new paragraph and insert:

"SECTION 2. IC 9-22-3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. (a) This section applies to the following persons:

(1) An insurance company that declares a wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter and the ownership of which is not evidenced by a certificate of salvage title.

(2) An insurance company that has made and paid an agreed settlement for the loss of a stolen motor vehicle, motorcycle,

C
o
p
y



semitrailer, or recreational vehicle **that:**

(A) has been recovered by the titled owner; and

(B) meets at least one (1) of the criteria set forth in section 3 of this chapter.

(b) A person who owns or holds a lien upon a vehicle described in subsection (a) shall assign the certificate of title to the insurance company described in subsection (a). The insurance company shall apply to the bureau within thirty-one (31) days after receipt of the certificate of title for a certificate of salvage title for each salvage or stolen vehicle subject to this chapter. The insurance company shall surrender the certificate of title to the department and pay the fee prescribed under IC 9-29-7 for a certificate of salvage title.

(c) When the owner of a vehicle described in subsection (a) retains possession of the vehicle:

(1) the insurance company that makes an agreed settlement for the vehicle shall:

(A) obtain the certificate of title; and

(B) submit to the bureau:

(i) the certificate of title;

(ii) the appropriate fee; and

(iii) a request for a certificate of salvage title on a form prescribed by the bureau; and

(2) after the bureau has received the items set forth in subdivision (1)(B), the bureau shall issue a certificate of salvage title to the owner.

~~(c)~~ **(d)** When a self-insured entity is the owner of a salvage motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter, the self-insured entity shall apply to the bureau within thirty-one (31) days after the date of loss for a certificate of salvage title in the name of the self-insured entity's name.

~~(d)~~ **(e)** Any other person acquiring a wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter, which acquisition is not evidenced by a certificate of salvage title, shall apply to the bureau within thirty-one (31) days after receipt of the certificate of title for a certificate of salvage title.

(f) A person that violates this section commits a Class D infraction.

SECTION 3. IC 9-22-3-37 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 37. **Except for a violation of section 11 of this chapter,** a person who violates this

C
o
p
y



chapter commits a deceptive act that is actionable by the attorney general and is subject to the remedies and penalties under IC 24-5-0.5.

SECTION 4. IC 9-29-7-2.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 2.3. (a) The fee for a certificate of salvage title is four dollars (\$4).**

(b) The fee for a delinquent certificate of salvage title is ten dollars (\$10). The bureau shall collect this fee if:

(1) a purchaser or transferee fails to apply for a certificate of salvage title or a transfer of title, by assignment, not later than thirty-one (31) days after the salvage motor vehicle is purchased or otherwise acquired; or

(2) the owner of a salvage motor vehicle retains possession of the salvage motor vehicle and the owner fails to apply for a certificate of salvage title not later than thirty-one (31) days after the settlement of loss with the insurance company.

SECTION 5. IC 9-29-7-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 2.5. The fee for a duplicate certificate of salvage title is four dollars (\$4).**

SECTION 6. IC 9-29-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 7. The revenues from the:**

(1) certificate of salvage titles collected under IC 9-22-3; and

(2) license fees collected under IC 9-22-4;

shall be deposited in the motor vehicle highway account.

SECTION 7. IC 9-29-4-6 IS REPEALED [EFFECTIVE JULY 1, 2006].".

and when so amended that said bill do pass.

(Reference is to HB 1056 as introduced.)

DUNCAN, Chair

Committee Vote: yeas 9, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred House Bill No. 1056, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

EH 1056—LS 6482/DI 97+



C
o
p
y

Page 2, between lines 37 and 38, begin a new line block indented and insert:

"(1) the person who possesses the certificate of title shall surrender the certificate of title to the insurance company described in subdivision (2);".

Page 2, line 38, delete "(1)" and insert **"(2)"**.

Page 2, line 38, delete "makes" and insert **"completes"**.

Page 3, line 4, delete "(2)" and insert **"(3)"**.

Page 3, line 5, delete "(1)(B)," and insert **"(2)(B),"**.

and when so amended that said bill do pass.

(Reference is to HB 1056 as printed January 24, 2006.)

PAUL, Chairperson

Committee Vote: Yeas 9, Nays 0.

C
o
p
y

